

ECONOMIC GROWTH SCRUTINY PANEL

17 OCTOBER 2019 AT 10.00AM

PRESENT: Councillor Brown (Chairman), Mrs Atkinson, Mrs Bowman, Denholm, Meller, Mitchelson, Paton and Rodgerson.

ALSO

PRESENT: Councillor J Mallinson, Leader
Councillor Ellis, Deputy Leader and Finance, Governance and Resources Portfolio Holder
Councillor Christian, Environment and Transport Portfolio Holder
Councillor Nedved, Economy, Enterprise and Housing Portfolio Holder

OFFICERS: Corporate Director of Economic Development
Regulatory Services Manager
Empty Property Grants Officer
Overview and Scrutiny Officer

EGSP.60/19 APOLOGIES FOR ABSENCE

No apologies for absence were submitted.

EGSP.61/19 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

EGSP.62/19 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public and Part B be dealt with in private.

EGSP.63/19 MINUTES OF PREVIOUS MEETINGS

RESOLVED – 1) it was noted that Council, at its meeting on 10 September 2019, received and adopted the minutes of the meetings held on 13 June, 1 July and 18 July 2019. The Chairman signed the minutes.

2) That the minutes of the meeting held on 5 September 2019 be agreed.

EGSP.64/19 CALL IN OF DECISIONS

There were no items which had been the subject of call-in.

EGSP.65/19 EMPTY PROPERTY GRANT ASSISTANCE

The Regulatory Services Manager submitted a report setting out the details of the proposed Empty Property Grant to support the work of the City Council in bringing long term empty properties back into use.

At its meeting of 6 November 2018, Council had approved the Empty Property Grant, the detail of which was to be approved by a future Executive. The Regulatory Services Manager explained that the purpose of the grant funding was to support the Council's work in bringing long term empty domestic properties back in to use. In September 2019 there were 993 Empty Properties within the district that had been vacant for more than 6 months, 313 of which had been empty for more than two years.

The proposed grants would be up to £3,000 and were aimed at covering the costs associated with making the property viable for occupation, eligibility would be judged on a case by case basis. It would be expected that the grant would result in the property being brought back into use and was preferable if the owner contributed additional financial resources to achieve reoccupation.

Successful applicants would be required to have works completed within six months of the approval, with monies being paid once the works had been carried out. The grant conditions stipulated the property must be reoccupied within six months of claiming the grant funding. Were the property not to be reoccupied within the specified timeframe, the applicant would be deemed to be in breach of the policy and action would be taken to reclaim the monies paid out. All grants would be registered as a Local Land Charge and would be recovered at the point of sale were the property to be sold within a five year period of becoming reoccupied.

The Regulatory Services Manager outlined how the scheme was proposed to be funded and how he anticipated further capital funding in the future.

In considering the report Members raised the following comments and questions:

- How would owners of empty properties be contacted to advise them of the grants?

The Empty Property Grants Officer responded that he was already in contact with a number of empty property owners and that all data needed would be acquired from Council Tax records.

- How many grants would the scheme provide for in a year?

The Regulatory Services Manager anticipated that at its current level of funding, the scheme would support between eight and ten grants per year, it was hoped that further capital funding would become available in the future. He noted that the scheme was categorised as a Key Decision of the Executive (KD.21/19), as it was hoped additional funding would be found and it would affect more than two wards.

- Would the applied Local Land Charge be levied on a tenant where the property was rented?

The Empty Property Grants Officer explained that the grant was not just aimed at the buy to let market, it was also open to owner occupied properties. The charge was levied on the property only, tenants would not be expected to pay the charge.

- The amount of grant available was small for properties that had been vacant for extended periods of time.

The Empty Property Grants Officer acknowledged that the amount of individual grant available was small and would not meet the cost of a more difficult project.

The Regulatory Services Manager added that the £3,000 grant was an arbitrary figure that sought to strike a balance between providing assistance and enabling the upgrade of a property. It was not desirable that the grant on offer should be too attractive, as its purpose was to assist those with empty properties returning them to a habitable condition.

Another Member commented that the small amount of capital funding and the first come first served basis of awarding the grants meant that some applicants may not receive a grant. Furthermore, any grant received awarded may not be sufficient to fund all the necessary works.

However, he anticipated that the scheme would be popular and asked whether more funding was available.

The Regulatory Services Manager advised that there was some non-ringfenced capital funding for Housing Services, he was exploring whether those monies were able to be vired to the proposed scheme. The scheme would be monitored and depending on uptake a budget bid may be submitted in the future.

Responding to a further question from a Member as to whether any reclaimed monies would be returned to the grant pot, the Regulatory Services Manager confirmed that would be the case.

The Economy, Enterprise and Housing Portfolio Holder said that the proposed grant fund sent a clear message that the Council sought to address the issue of empty properties. He added that the Council was not dealing with the issue in isolation and that other organisations also offered grants to help bring homes back into use.

The Chairman invited the Officer to provide further detail on why the options listed in section 3 of the report had been rejected.

The Regulatory Services Manager responded as follows:

- Empty Dwelling Management Order – The Housing Act 2004 created the Order which allows local authorities the power to take over a property where it was proved that there was a fault under the Housing Act. Enacting such a take over would require the Council to have the necessary monies in place to pay for the legal work to take over the property, with subsequent works being carried out as a Managed Repair. Not all empty properties in the district would have a fault as defined in the Act, and the implementing the Order and any associated works would require the necessary resources to be in place. The Regulatory Services Manager considered that this mechanism was too costly.
- Works in Default – The Council would need to be notified of a fault at a property, it would then serve notice of its intention to carry out works to the dwelling, for example, under the Local Government Miscellaneous Provision Act. Works would then be undertaken and a charge applied to the property to recover the costs. It was likely that the property would then be sold through the Enforced Sale Policy. This approach was likely to be a costly instrument to operate and had effectively been superseded by the Enforced Sale Policy.
- Fixed Term Loan – It was possible that a property owner may have access to more favourable loan rates than the Council. This option had the potential to be very costly to the Council.
- Managed Repair Service – A full rationale for rejecting this method was detailed in the report. It would have similar risk of high capital and administrative costs to that of Empty Dwelling Management Order.

The Chairman thanked the Officer for his response.

- Was there a rising trend for properties being empty for more than two years, and how did the Council compare to other local authorities?

The Empty Property Grants Officer noted that the level of empty properties was in flux; he reported in 2018 there were 873 empty properties in the district, of which 318 were empty for 2

years or more. Of those long term empty properties (empty for more than 2 years) recorded in 2018, 104 remained on the list. The proportion of empty properties within the district was around 1.89% of housing stock, which was above the national average of 1.0%; the level of empty properties in the district had been similar for some time.

- Would Buy to Let market speculators be allowed to apply for the grant.

The Empty Property Grants Officer replied that speculators were not who the grants were aimed at, they were intended to for those who already owned a property.

The Regulatory Services Manager added that the grants were discretionary and would be awarded on a case by case basis following an assessment by Officers.

Another Member requested further detail on the criteria used to assess applications. The Regulatory Services Manager undertook to circulate the criteria used in the scheme to members of the Panel.

- Was the grant available to properties in both the rural and urban areas?

The Regulatory Services Manager confirmed that Officers would consider grant applications from anywhere in the district.

- Was the 2013 grant scheme still in operation?

The Regulatory Services Manager explained that the previous grant scheme had been funded by central government, and that it had operated different criteria to that of the scheme currently being proposed. The government scheme was no longer in operation.

In relation to the scale of funds available for the proposed Council scheme, the Regulatory Services Manager acknowledged that there was currently only a small capital sum available as funding. However, he hoped that the sum would be seed funding and that other monies would be secured to enable the scheme to continue.

The Finance, Governance and Resources Portfolio Holder set out the liabilities in relation to Council Tax for empty properties, which the Panel then discussed.

RESOLVED – 1) That the Panel supported the Empty Property Grant Assistance Scheme.

2) That the Panel supported Officer efforts to identify further funding for the scheme.

3) That the Regulatory Services Manager circulate details of the criteria used to assess applications under the scheme to the Panel.

4) That report GD.54/19 – Empty Property by received.

EGSP.66/19 ECONOMIC GROWTH STRATEGY – UPDATED CONTEXT

The Corporate Director of Economic Development submitted an update on the context within which the Council's Economic Growth Strategy was being progressed (ED.34/19). The report outlined the evidence base and macro-level factors that would be considered in the forthcoming development of the Strategy.

Members' attention was drawn to Section 4 of the report which set out a range of strategic priorities which would guide and influence the work of bringing the Strategy to fruition. The Corporate Director invited Members comments and feedback particularly on that aspect of the report.

In considering the update Members raised the following comments and questions:

- A Member noted that the report did not contain the Strategy document and asked what was the next stage was in its development?

The Corporate Director explained that the evidence base and strategic priorities would be the foundation of an Action Plan that would seek to deliver the Strategy.

The Member responded that an Action Plan and measures to assess the success of the Strategy were important. He sought clarification as to whether the Strategy was the Council's own or was part of the one being developed by the Local Enterprise Partnership (LEP).

The Corporate Director confirmed that the Strategy was the Council's own and whilst it took account of the LEP's Strategy, she noted that the economic functional area in which Carlisle was situated extended across the Borderlands region which incorporated locations outside of Cumbria.

- What the timescale was for completing the Strategy?

The Corporate Director anticipated that the Economic Growth Strategy would be fully developed in January 2020.

The Economy, Enterprise and Housing Portfolio Holder stated that the emergence of the Strategy had been slowed by the necessity of awaiting outcomes in relation to matters such as: The Borderlands Inclusive Growth Deal; High Street Fund Bid; St Cuthbert's Garden Village, and the Carlisle Southern Link Road. All of those were contextual issues that needed to be fully understood as they were factors in the economic growth of the district. Now that those issues had progressed, Officers had a clear direction in which to shape the Strategy.

The Chairman noted that in previous scrutiny of the Strategy by the Panel, consideration had been given to creating an Economic and Housing Strategy, she sought clarification that was still the case.

The Corporate Director responded that housing was an important economic factor and that LEP economic strategy contained a strand pertaining to it. She considered that there were two elements relating to housing: strategic housing and, housing conditions/management.

- Who would be consulted on the Strategy?

The Corporate Director explained that a draft Strategy would be consulted on by a variety of stakeholders covering housing, tourism, manufacturing, retail and other key areas of economic activity such as digital and creative sectors. Consultation activities would comprise stakeholder events and workshops.

The Chairman asked whether the consultation would also include residents.

The Corporate Director responded that the Borderlands Inclusive Growth Deal sought to increase economic prosperity across the whole region. Carlisle was a low wage economy, the Strategy would seek to address that.

- What action was being taken to achieve zero carbon?

A Climate Change Strategy was currently being considered, the Corporate Director expected that would set out how the authority would seek to manage its own operations to reduce its carbon emissions, as well as proving an example to other businesses in the district. The Economic Growth Strategy would also seek to encourage a similar approach.

- How much priority would the Strategy give to dealing with the economic challenges detailed in paragraph 3.8 of the report?

The Corporate Director responded that the Strategy would seek to address the economic challenges faced by the district, however, it was not the only mechanism for supporting economic growth in the area. The Borderlands Deal, the LEP, the High Street Fund, St Cuthbert's Garden Village, the Carlisle Southern Link Road, the Carlisle District Local Plan 2015 – 30 all sought to grow economic activity in the city.

The Panel discussed the impact of the works to the Central Plaza Hotel and associated road closures. The Leader advised that the Council was taking what action it could to address the issue, it was hoped that development of that area in the future would make it a vibrant part of the city.

- Which business sectors had the Council targeted and sought to attract to Carlisle?

The Corporate Director explained that what attracted businesses to an area was a workforce with the necessary skills to work in its particular industry, to date broad business sectors had been targeted by the Council.

The Panel discussed the importance of having the necessary skills within the district to attract businesses to the area, thus supporting economic growth. Consideration was also given to the approaches of education institutions within the city to provide opportunities for the required skills to be gained.

- What efforts were being made to bring inward investment into the city?

The Corporate Director reported that the Council worked with the Department of Industry and Trade to bring overseas investment into the area, she noted that Kingmoor Park had a page in the Department's brochure. In addition, the authority collaborated with the LEP to attract investors.

The Member asked whether Cumbria County Council retained an inward investment department.

The Corporate Director explained that following direction from central government, the role of inward investment now resided with the LEP, she understood that the department was newly set up.

The suggested that it may be useful for the Panel if the Inward Investment team of the LEP were to attend a future meeting.

- What was the Council's policy on outsourcing?

The Corporate Director advised that when the Council undertook projects it did so via an open procurement process, and as far as possible it sought to prioritise local companies.

A Member commented that the Strategy was a crucial aspect in understanding what the Council would do to deliver economic growth in the city, the delivery of the LEP economic strategy was another important factor in supporting and sustaining economic activity in the district.

The Economy, Enterprise and Housing Portfolio Holder agreed that a definitive strategy document was now needed. Following the decisions made in relation to: The Borderlands Inclusive Growth Deal; High Street Fund Bid; St Cuthbert's Garden Village, and the Carlisle Southern Link Road, the document could now be developed and submitted to the Panel for scrutiny.

The Chairman thanked the Panel for an interesting discussion and scrutiny of the report. She further welcomed the suggestion that in future the Panel scrutinise the LEP on work undertaken to attract new business to Carlisle.

RESOLVED – 1) That the Economic Growth Strategy – Updated Context (ED.34/19) be noted.

EGSP.67/19 BORDERLANDS COLLABORATION AGREEMENT

The Chairman explained she had requested the item be included on the Panel's agenda as it had previously scrutinised the Borderlands Heads of Terms documentation. Accordingly, she considered it was useful to present the Collaboration Agreement to the Panel so that Members were kept up to date with developments in the project. It was noted that the Executive, at its meeting of 14 October 2019, had considered the Agreement and had recommended it to Council for approval (Minute EX.86/19 refers).

The Corporate Director of Economic Development explained that the document was a Service Level Agreement between the participating authorities which set out: the governance structure; roles and responsibilities; division of operating costs and details pertaining to the Programme Management Office (PMO).

In scrutinising the Collaboration Agreement Members raised the following comments and questions:

- How would the project be publicly accountable?

The Corporate Director explained that each participating authority would scrutinise the project, and that minutes of meetings would be publicly available on their respective website.

- Where was the Project Management Office to be located?

The Corporate Director responded that the location of the PMO was not yet determined, but that it would service the entirety of the Borderlands region.

Responding to a further question regarding the percentage of administrative costs that would come out of the project, the Corporate Director stated that the PMO would not be funded from capital project costs. The matter was now being considered by the participating authorities.

- Would the capital project funds be paid as a lump sum?

The Corporate Director reported that capital project monies would be paid in annual increments, with the process being managed by Dumfries and Galloway, and Northumberland Councils.

- How had the division of operating costs been decided?

The Corporate Director stated that operating costs were to be split on a per capita basis, with the final overall costs still being calculated. Carlisle City Council and Cumbria County Council were jointly responsible for 34.9% of the costs, discussions were being held to agree what proportion each authority would contribute.

RESOLVED – That the Borderlands Collaboration Agreement be received (ED.33/19)

EGSP.68/19 CARLISLE AMBASSADORS

The Corporate Director of Economic Development submitted an update on the Carlisle Ambassadors initiative and programme 2019 (ED.32/19).

Carlisle Ambassadors had been established in 2013 to liaise with businesses and enable businesses to talk confidently about what was happening in the city and to help support its economic growth.

Membership had grown from 50 businesses in 2015 to 194 businesses in 2019. The report detailed the work undertaken by the City Council and Carlisle ambassadors to promote Carlisle and the new partnerships which were delivering benefits for Carlisle. Section 5 of the report which set out the growing list of Carlisle Ambassador projects.

The Chairman indicated that it had been expected a representative from Carlisle Ambassadors would attend the meeting.

In considering the update Members raised the following comments and questions:

- Who managed the finances for Carlisle Ambassadors?

The Corporate Director explained that the City Council managed the finances for Carlisle Ambassadors. Overall funding of the group was split between membership subscriptions and contributions from the Council.

- Carlisle Ambassadors included the Carlisle Story as part of its promotion of the city, had any consideration been given to updating that story.

The Corporate Director confirmed that discussions had commenced regarding a future update of the Carlisle.

- Was there a breakdown of the types of businesses involved in the group, i.e. the proportion of small, national and global businesses?

A list of businesses in the group was held, and the size of the group affected the level of subscription fees levied, the Corporate Director advised that she did not have that information to hand.

- Was there an analysis of renewal and drop out rates for the membership of the group?

The Corporate Director responded that there was a large core member, indicating that the group was perceived as useful, and the overall trend for membership was of increase. Members of the group were able to input into the themes show cased by the group, helping to keep content vibrant, relevant and engaged.

- Were the events listed in paragraph 2.4 of the report awareness events or was follow up work planned?

The Economy, Enterprise and Housing Portfolio Holder said that the events were an opportunity for businesses to engage, and included some show case examples. Initiatives such as the “Give A Day To The City” had stemmed from a Carlisle Ambassadors’ event. He suggested that members of the Panel may wish to attend one of the events to see for themselves the content.

The Corporate Director undertook to liaise with the Overview and Scrutiny Officer regarding arrangements for inviting the Panel to an Ambassadors event.

The Chairman thanked the Officer for the report, however, she felt that a number of the Panel’s questions remained unanswered. She accepted the suggestion that the Panel be invited to attend a future Ambassador’s event.

RESOLVED – 1) That the Carlisle Ambassadors update be received (ED.32/19).

2) That the Corporate Director of Economic Development circulate an invitation to members of the Panel to a future Carlisle Ambassadors event.

EGSP.69/19 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.25/19 which provided an overview of matters relating to the work of the Economic Growth Scrutiny Panel.

The Panel’s 2019/20 Work Programme had been attached to the report for consideration. It was noted that there were a significant number of items for the November 2019 meeting, including scrutiny of the Budget. Following discussion, the Panel agreed that the following items be moved to the January 2020 meeting: Borderlands Inclusive Growth Deal / Key Projects; Flood Risk Management and Community Resilience. It was further agreed that Panel wished to receive a future report on the Economic Growth Strategy.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Key Decision items relevant to the Economic Growth Scrutiny Panel (OS.25/19) be noted.

2) That the following items be moved to the 16 January 2020 meeting of the Panel for scrutiny:

Borderlands Inclusive Growth Deal / Key Projects, and;
Flood Risk Management and Community Resilience.

3) That a further report on the Economic Growth Strategy be submitted to a future meeting of the Panel.

(The meeting ended at 11:55 am)